

House Study Bill 712

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE, REGULATION
AND LABOR BILL BY
CHAIRPERSON JENKINS)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to exempting certain customers from participation
2 in energy efficiency plan requirements of electric utilities.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 6682HC 80
5 kk/gg/14

PAG LIN

1 1 Section 1. Section 476.6, subsection 16, Code Supplement
1 2 2003, is amended by adding the following new paragraph:
1 3 NEW PARAGRAPH. g. Notwithstanding the requirements of
1 4 paragraph "a", a large electric customer may petition the
1 5 board to exempt the large electric customer from participating
1 6 in and paying for a rate-regulated utility's electric energy
1 7 efficiency plan and from the requirements of paragraph "e".
1 8 The board shall grant the petition upon a finding that the
1 9 petitioner has a high load factor of at least sixty percent,
1 10 as calculated annually, excluding time periods of force
1 11 majeure and economic shutdown, and has taken reasonable
1 12 efforts to identify, evaluate, and implement cost-effective
1 13 energy efficiency measures at the petitioner's facilities
1 14 located in the state. The board shall also consider the
1 15 contribution to additional investments needed to meet peak
1 16 load demands in granting the request.
1 17 A large electric customer exempted under this lettered
1 18 paragraph must submit a petition for extension of the
1 19 exemption at least every five years in a manner approved by
1 20 the board. A large electric customer exempted under this
1 21 lettered paragraph may voluntarily reenter a rate-regulated
1 22 electric utility's energy efficiency plan, but upon reentry
1 23 shall not be eligible to petition for exemption for a period
1 24 of three years from the date of reentry.
1 25 For the purposes of this lettered paragraph, "cost=
1 26 effective" means energy efficiency measures with a payback
1 27 period of two years or less. For the purposes of this
1 28 lettered paragraph, "large electric customer" means a customer
1 29 that imposes a peak electrical demand on an electric utility's
1 30 system of more than two megawatts at a single site,
1 31 contiguous, or adjacent complex at which retail electric
1 32 services are provided and where such demand is measured in the
1 33 same way the electric utility that serves the large electric
1 34 customer measures electrical demand for billing purposes. For
1 35 the purposes of this lettered paragraph, "force majeure" means
2 1 an event or effect that cannot be reasonably anticipated or
2 2 controlled.

EXPLANATION

2 3
2 4 This bill relates to energy efficiency requirements imposed
2 5 on electric utilities by permitting certain customers to be
2 6 exempted from participating in an electric utility's energy
2 7 efficiency plan. The bill permits a large electric customer,
2 8 as defined in the bill, to petition the utilities board of the
2 9 department of commerce for an exemption from paying for a
2 10 rate-regulated utility's electric energy efficiency plan
2 11 through automatic adjustment mechanisms. The bill requires
2 12 the board to grant a petition for an exemption for large
2 13 electric customers who have a high load factor of at least 60
2 14 percent and have taken reasonable efforts to identify,
2 15 evaluate, and implement cost-effective energy efficiency
2 16 measures. An exempted large electric customer must re=
2 17 petition for the exemption at least every five years. An
2 18 exempted large electric customer may reenter a rate-regulated
2 19 electric utility's energy efficiency plan but must then wait
2 20 at least three years to petition the board again for an
2 21 exemption. The bill provides definitions for terms used in

2 22 the bill.
2 23 LSB 6682HC 80
2 24 kk/gg/14